

CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

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COUNTRY	China	REPORT	
SUBJECT	Conditions in Shanghai	DATE DISTR.	22 November 1954
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THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
 THE APPRAISAL OF CONTENT IS TENTATIVE.
 (FOR KEY SEE REVERSE)

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1. Most medicines are difficult to obtain in Shanghai on the open market, particularly penicillin of U.S. and British manufacture. Penicillin produced by SINE in Shanghai is in ample supply but is not in demand because most persons in Shanghai consider it completely ineffectual.
2. Since about early 1952 there has been a shortage of typhus, cholera, and small-pox serums in Shanghai. This has resulted in a discontinuance of inoculations for these diseases in Shanghai since that time. However, typhoid serum is still available in Shanghai and typhoid inoculations are still given.
3. Vegetable oil for cooking is in short supply in Shanghai and is rationed, one catty a month for each person.
4. All business concerns in Shanghai are compelled by the government to sell their products at prices which give them a gross profit of no more than ten percent. From this they must defray such expenses as salaries, taxes, and the so-called voluntary purchase of government bonds.
5. Electric motors are produced in machine shops in Shanghai, particularly in the Nantao area. They are, however, undependable because of the cheap materials used in their manufacture. The copper is of low quality and the magnetic poles are made of tin.
6. The pistons and piston rings produced in Shanghai are also undependable, mostly because of the steel of low quality used in their manufacture. The steel is produced in Manchuria and its composition differs considerable from the description given by the steel mills where produced.

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STATE	X	ARMY	X	NAVY	X	AIR	X	FBI		AEC		EV	X	
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NOTE: Washington distribution indicated by "X"; Field distribution by "#".

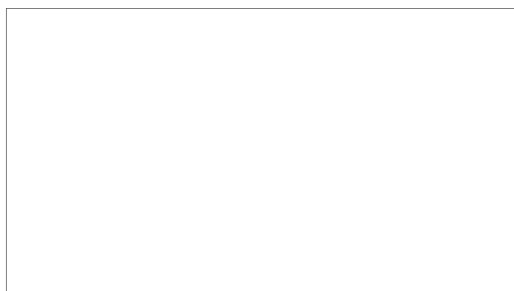
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7. Since about the middle of 1950, when almost all heavy industrial plants in Shanghai began to move their equipment to Manchuria, a large number of engineers have been recruited in Shanghai by the government for work in Manchuria. They are still being recruited and sent to Manchuria.



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